

**Minutes of the 175th Regular Meeting of the Board of Directors
Northeast Nebraska Public Power District**

The 175th regular meeting of the Northeast Nebraska Public Power District was called to order at 7:41 p.m. on June 26, 2012, by President Don Larsen, who chaired the meeting. This meeting was held in the District's General Office in Wayne, NE. President Larsen announced the meeting was being conducted pursuant to the Nebraska Open Meetings Law and pointed out the location of the law in the meeting room.

Notice of this meeting was posted at all facilities of Northeast Nebraska Public Power District and was delivered by first class mail to the City Hall offices of the following towns and villages: Allen, Carroll, Concord, Dixon, Emerson, Foster, Hoskins, Hubbard, Jackson, Martinsburg, Maskell, McLean, Newcastle, Obert, Osmond, Pierce, Ponca, Thurston, Waterbury, Wayne, and Winside. Notice was also sent to the following newspapers: Nebraska Journal Leader, Norfolk Daily News, Norfolk Shopper, Pender Times, Pierce County Leader, Osmond Republican, Randolph Times, South Sioux City Star, Wakefield Republican, and Wayne Herald.

The following Officers and Directors were present:

Director Lebsock Director Gustafson Director Silhacek
Director Larsen Director Gansebom Director Kneifl
Director Bodlak

Directors Absent: Director Birkley

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, and Mandy Backer.

A motion was made by Director Silhacek to excuse Director Director Birkley's absence from the meeting, which was seconded by Director Gustafson. The motion carried on a 7-0 vote.

Review and approve minutes of the May 22, 2012 Regular Board of Directors meeting: Following a review of the minutes, a few corrections were noted, and then a motion was made by Director Kneifl to approve the minutes of the May 22, 2012 Regular Board Meeting, with corrections. The motion was seconded by Director Silhacek and was approved on a 7-0 voice vote.

Public Comment Period: None.

Authorization of May 2012 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the May 2012 expenses made by Director Lebsock, and seconded by Director Bodlak.

The following roll call vote was taken upon the motion:

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|-------------------------|-----------------------------|
| Director Larsen - yes | Director Gustafson - yes |
| Director Silhacek - yes | Director Birkley - (absent) |
| Director Gansebom - yes | Director Lebsock - yes |
| Director Kneifl - yes | Director Bodlak - yes |

All directors present voting yes, the motion carried 7-0.

May 2012 Financial Statements. Mark Shults reported the District is generally in good shape financially, but pointed out a couple of items to note. First, he noted that although the District posted a loss for May, they actually budgeted for one, and that wholesale power costs continue to be an issue for everyone, in addition to lower sales through the mild winter months. He did note that the expenses were right on par with the budget. After a brief discussion, Director Gansebom made a motion to approve the May 2012 Financial Statements. The motion was seconded by Director Gustafson. The motion carried on a 7-0 voice vote.

Management Reports:

1. Mandy Backer: Mandy reported that the District will be receiving a \$13,237 payment from FEMA for help with losses sustained in the 2011 flooding, that the new truck has arrived, and that a demonstration of some staking software wasn't as good as they were hoping it would be.

2. Jan Kristjanson: Jan had no report for this month.

3. Randy Belt: Randy reported on a number of items, including using foam to help set new poles, progress on the Winside substation construction, retirement of services, pole changeouts and tree-trimming activities.

4. Mark Shults: Mark discussed the agenda for the upcoming planning meeting.

Old Business: None.

New Business:

1. Resolution 2012-06-01. Resolution to modify Policy 10-02, Employee Sick Leave to clarify use of leave for family reasons. Mark Shults provided some background information on the District's sick leave policy and the reason for the clarification. After a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Silhacek. The motion carried on a 7-0 voice vote.

At this point Director Gustafson then made a motion to go into executive session to discuss a personnel issue and to prevent the needless injury to the reputation of an individual who has not requested a public meeting. The motion was seconded by Director Silhacek

The following roll call vote was taken upon the motion:

Director Larsen - yes Director Gustafson - yes

Director Silhacek - yes Director Birkley - (absent)

Director Gansebom - yes Director Lebsock - yes

Director Kneifl - yes

Director Bodlak - yes

All Directors present voting yes, the motion carried 7-0.

The Board entered executive session at 8:51 p.m. The Board came out of executive session at 9:10 p.m.

2. Resolution 2012-06-02. Resolution to approve a rate tariff for access to District power lines by local generating companies like wind farms. Mark Shults provided some background information on the tariff and the rationale behind it. After a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote.

3. Discussion of potential topics for the Annual Planning meeting in July. The Board and Management had a brief discussion about topics to be discussed for the District's annual planning meeting next month. However, no official action was taken and no vote was had.

Board Member Reports: G&T: Director Ganesebom provided some information about the manager appraisal as well as some questions that the Board may consider asking to Bruce Pontow during his visit to the District next month.

Director Lebsock made a motion to adjourn the meeting, which was seconded by Director Kneifl. The motion carried on a 7-0 voice vote. The meeting was adjourned at 10:19 p.m.

I, the undersigned, secretary of the Northeast Nebraska Public Power District, Wayne, Nebraska, hereby certify that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current, and available for public inspection at the office of the District; that minutes of the District were in written

form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meeting of said body were provided advance notification of the time and place of said meeting and the subject matters to be discussed at said meeting.

Secretary

Attest: _____
President